

My name is Jim Beyer and I live in Ann Arbor, Michigan. I am a computer engineer and have been interested in renewable energy technologies for many years.

I am writing to express my great concern with the measures proposed in SB438, particularly with respect to net-metering of renewable energy sources owned by consumers. I believe passing this bill would not be in the interest of the state or its citizens. Rather, it represents a step backward in building an energy future based on present and future realities.

Reasonable people can disagree on how net-metering can or should be deployed. But this bill represents something tantamount to either full-fledged socialism or "company store" mentality (I can't figure out which) wherein a consumer is FORCED to sell their power to their utility at wholesale rates and then buy it back at retail rates, should they connect their generation to the grid. This is unfair to the consumers (including existing net-metering customers) who have used their own finances to add generation capacity to our state's grid.

What is proposed is really no different than a gardener growing tomatoes and not being able to eat what they grow, but instead, being forced sell them at wholesale rates to their grocery store, and then immediately buy them backup at a markup!

The retail price of electricity represents the wholesale cost of its production, its transmission, and its distribution. A consumer who uses her own electricity makes no use of the transmission and distribution resources. Why should the utility be paid for resources that aren't used?

Similarly, a consumer who has excess generation and sells it to the grid will send their electricity to a nearby neighbor or business, again using no transmission, and very little of the distribution resources. But the business or neighbor is still charged full retail price for their electricity. Why does the utility receive ALL of the extra profit paid for resources which aren't even used? There is opportunity VALUE in generation that is distributed and located near other consumers, and this bill does not reflect this reality.

Also, solar panels generate power during the day, when electricity demand is higher, and their owners draw electricity in the afternoon, night, and morning, when demand is lower. Consumer panels thus work to reduce peak demand (including transmission and distribution demand) at nearly the same times when it is highest. This is another value of consumer generation that is not reflected in this bill.

Also, a final point should be made as to just how petty this bill is. At present, only a tiny amount of our total electricity production (less than 0.02 percent) is subject to net-metering. Again, reasonable minds could consider reviewing the standards when net-metering penetration exceeds 1, 2, or 5 percent. But not at 0.02 percent! We are all figuring out our new energy future. A biased energy bill which stamps out meaningful consumer participation in developing our energy future will not serve us well.

I sincerely urge all members of this committee to vote against this bill. It's a bad bill.

Thank you.